













# State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

## **RESEARCH APPENDIX -** **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 05/02/2008 (Per: CMT)

### Compile Draft – Appendix K Part 01 of 01

- |   |  |
|---|--|
| A  The <u>2007</u> drafting file for<br>LRB-4188   | G  The <u>2007</u> drafting file for<br>LRB-4321   |
| B  The <u>2007</u> drafting file for<br>LRB-4247 | H  The <u>2007</u> drafting file for<br>LRB-4322 |
| C  The <u>2007</u> drafting file for<br>LRB-4260 | I  The <u>2007</u> drafting file for<br>LRB-4323 |
| D  The <u>2007</u> drafting file for<br>LRB-4293 | J  The <u>2007</u> drafting file for<br>LRB-4332 |
| E  The <u>2007</u> drafting file for<br>LRB-4309 | K  The <u>2007</u> drafting file for<br>LRB-4337 |
| F  The <u>2007</u> drafting file for<br>LRB-4315 | L  The <u>2007</u> drafting file for<br>LRB-4338 |

**2007 LRB-4337** has been copied/added to the drafting file for

## **2007 LRBs0378**

(Mr8 CSA1-AB1)

## 2007 DRAFTING REQUEST

### Bill

Received: **04/16/2008**

Received By: **jkreye**

Wanted: **Today**

Identical to LRB:

For: **Legislative Fiscal Bureau**

By/Representing: **rick olin**

This file may be shown to any legislator: **NO**

Drafter: **jkreye**

May Contact:

Addl. Drafters:

Subject: **Tax, Property - exemption**

Extra Copies:

Submit via email: **YES**

Requester's email: **rick.olin@legis.wisconsin.gov**

Carbon copy (CC:) to: **joseph.kreye@legis.wisconsin.gov**

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### Pre Topic:

No specific pre topic given

---

### Topic:

Low-income housing property tax exemption

---

### Instructions:

See Attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye 04/16/2008	jdye 04/16/2008		_____			
/P1	jkreye 04/16/2008	wjackson 04/16/2008	jfrantze 04/16/2008	_____	cdurst 04/16/2008		
/P2	jkreye 04/17/2008	bkraft 04/17/2008	nnatzke 04/16/2008	_____	lparisi 04/16/2008		
/P3			pgreensl	_____	lparisi		

***LRB-4337***

04/17/2008 11:56:45 AM

Page 2

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
			04/17/2008 _____		04/17/2008		

FE Sent For:

<END>

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**Topic:**

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**Instructions:**

See Attached

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/?	jkreye 04/16/2008	jdyer 04/16/2008					
/P1	jkreye 04/16/2008	wjackson 04/16/2008	jfrantze 04/16/2008		cduerst 04/16/2008		
/P2			nnatzke 04/16/2008		lparisi 04/16/2008		

1P3 bjk 4/17  
4/17  
P8  
4/17  
P8

***LRB-4337***

04/16/2008 04:56:52 PM

Page 2

FE Sent For:

**<END>**

**2007 DRAFTING REQUEST**

**Bill**

Received: **04/16/2008**

Received By: **jkreye**

Wanted: **Today**

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**Instructions:**

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/?	jkreye 04/16/2008	jdye 04/16/2008					
/P1		/P2 WLj 4/16	jfrantze 04/16/2008		cduerst 04/16/2008		
FE Sent For:			nwn 4/16	nwn/j 4/16			

<END>

**2007 DRAFTING REQUEST****Bill**Received: **04/16/2008**Received By: **jkreye**Wanted: **Today**

Identical to LRB:

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**Pre Topic:**

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---

**Topic:**

Low-income housing property tax exemption

---

**Instructions:**

See Attached

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**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	jkreye	P1 4/16/08	Jb 4/16	Jb/RW 4/16			

FE Sent For:

&lt;END&gt;

2007 - 2008 LEGISLATURE

TODAY

2007 SENATE BILL 403

LRB-3790/1

JK:bjk:jf

4337/P1  
KEEP in 4-16-08 + jld

D-N

January 18, 2008 - Introduced by Senators TAYLOR, COGGS, PLAIE, BRESKE and DECKER, cosponsored by Representatives GOTTIEB, GRIGSBY, ALBERS, DAVIS, FIELDS, HAHN, HONADEL, MONTGOMERY, STONE, TOWNSEND, TURNER, YOUNG, VAN ROY and RHOADES. Referred to Committee on Judiciary, Corrections, and Housing.

x  
do not go  
the budget adjustment bill ✓  
1 AN ACT ~~to amend 70.11 (intro.) and 70.11 (4); and to create 70.11 (4a) of the~~  
2 ~~statutes; relating to: the property tax exemption for low-income housing.~~

**Analysis by the Legislative Reference Bureau**

Under current law, property owned by churches or religious or benevolent associations, including benevolent nursing homes and retirement homes for the aged, is exempt from the property tax. Under this bill, property owned by churches or religious or benevolent associations and used as low-income housing is exempt from the property tax. Under the bill, low-income housing is any residential housing unit within a low-income housing project occupied by a low-income or very low-income person, as determined pursuant to the income limits published by the U.S. Department of Housing and Urban Development, or that is vacant and only available to such persons.

Under current law, if property that is exempt from property taxes is leased, the property retains its tax exemption if the property owner uses all of the leasehold income for maintenance of the leased property or construction debt retirement of the leased property, or both, and, except for residential property, if the lessee would be eligible for the exemption if the lessee owned the property.

Under the bill, leasing property that is low-income housing does not make the property taxable if the property owner uses all of the leasehold income for certain expenditures directly related to the low-income housing project to which the property belongs, except that the property owner may, generally, use up to 10 percent of the leasehold income for certain expenditures, or any amount for debt service, directly related to any other low-income housing project under the owner's control



## SENATE BILL 403

PRE-LIM ✓  
that is located in this state. Eligible expenditures include maintenance, capital replacements, insurance premiums, project management, debt retirement, moneys reserved for project-related purposes, general and administrative expenses, social services and other resident services, utilities, financing costs, any other expenditure related to preserving and managing the project, and any other similar expenditure.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1 SECTION 1. 70.11 (intro.) of the statutes is amended to read:

2 **70.11 Property exempted from taxation.** (intro.) The property described  
3 in this section is exempted from general property taxes if the property is exempt  
4 under sub. (1), (2), (18), (21), (27) or (30); if it was exempt for the previous year and  
5 its use, occupancy or ownership did not change in a way that makes it taxable; if the  
6 property was taxable for the previous year, the use, occupancy or ownership of the  
7 property changed in a way that makes it exempt and its owner, on or before March 1,  
8 files with the assessor of the taxation district where the property is located a form  
9 that the department of revenue prescribes or if the property did not exist in the  
10 previous year and its owner, on or before March 1, files with the assessor of the  
11 taxation district where the property is located a form that the department of revenue  
12 prescribes. Leasing Except as provided in sub. (4a) (e) ✓ leasing a part of the property  
13 described in this section does not render it taxable if the lessor uses all of the  
14 leasehold income for maintenance of the leased property or construction debt  
15 retirement of the leased property, or both, and, except for residential housing, if the  
16 lessee would be exempt from taxation under this chapter if it owned the property.  
17 Any lessor who claims that leased property is exempt from taxation under this

**SENATE BILL 403**

1 chapter shall, upon request by the tax assessor, provide records relating to the  
2 lessor's use of the income from the leased property. Property exempted from general  
3 property taxes is:

4 **SECTION 2.** 70.11 (4) of the statutes is amended to read:

5 70.11 (4) EDUCATIONAL, RELIGIOUS AND BENEVOLENT INSTITUTIONS; WOMEN'S CLUBS;  
6 HISTORICAL SOCIETIES; FRATERNITIES; LIBRARIES. Property owned and used exclusively  
7 by educational institutions offering regular courses 6 months in the year; or by  
8 churches or religious, educational or benevolent associations, including benevolent  
9 nursing homes and retirement homes for the aged but not including an organization  
10 that is organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health  
11 maintenance organization as defined in s. 609.01 (2) or a limited service health  
12 organization as defined in s. 609.01 (3) or an organization that is issued a certificate  
13 of authority under ch. 618 and that offers a health maintenance organization or a  
14 limited service health organization and not including property owned by any  
15 nonstock, nonprofit corporation which services guaranteed student loans for others  
16 or on its own account, and also including property owned and used for housing for  
17 pastors and their ordained assistants, members of religious orders and communities,  
18 and ordained teachers, whether or not contiguous to and a part of other property  
19 owned and used by such associations or churches, and also including property that  
20 is low-income housing, as defined under sub. (4a) (a); or by women's clubs; or by  
21 domestic, incorporated historical societies; or by domestic, incorporated, free public  
22 library associations; or by fraternal societies operating under the lodge system  
23 (except university, college and high school fraternities and sororities), but not  
24 exceeding 10 acres of land necessary for location and convenience of buildings while  
25 such property is not used for profit. Property owned by churches or religious

-4-

1 associations necessary for location and convenience of buildings, used for  
2 educational purposes and not for profit, shall not be subject to the 10-acre limitation  
3 but shall be subject to a 30-acre limitation. Property owned by churches or religious  
4 or benevolent associations necessary for location and convenience of buildings, used  
5 for a low-income housing project, as defined under sub. (4a) (b), including other  
6 low-income housing projects under common control with such project, shall not be  
7 subject to the 10-acre limitation but shall be subject to a limitation of 30 acres and  
8 a limitation of 10 contiguous acres in any one municipality. Property that is exempt  
9 from taxation under this subsection and is leased remains exempt from taxation only  
10 if, in addition to the requirements specified in the introductory phrase of this section,  
11 the lessee does not discriminate on the basis of race.

12 SECTION 3. 70.11 (4a) of the statutes is created to read:

13 70.11 (4a) LOW-INCOME HOUSING. (a) For purposes of sub. (4), "low-income  
14 housing" means any residential unit within a low-income housing project that is  
15 occupied by a low-income or very low-income person or is vacant and is only  
16 available to such persons.

17 (b) For purposes of this subsection and sub. (4), "low-income housing project"  
18 means a residential housing project for which all of the following apply:

19 1. At least 75 percent of the occupied residential units are occupied by  
20 low-income or very low-income persons

21 2. At least one of the following applies:

22 a. At least 20 percent of the residential units are rented to persons who are very  
23 low-income persons or are vacant and are only available to such persons.

NO or are vacant and available only to persons  
# low income or very low income persons

1           b. At least 40 percent of the residential units are rented to persons whose  
2 income does not exceed 120 percent of the very low-income limit or are vacant and  
3 only available to such persons.

4           (c) For purposes of this subsection, low-income persons and very low-income  
5 persons shall be determined in accordance with the income limits published by the  
6 federal department of housing and urban development for low-income and very  
7 low-income families under the National Housing Act of 1937.

8           (d) For purposes of this subsection and sub. (4), all properties included within  
9 the same federal department of housing and urban development contract or within  
10 the same federal department of agriculture, rural development, contract are  
11 considered to be one low-income housing project.

12           (e) Leasing property that is exempt from taxation under sub. (4) as low-income  
13 housing does not render it taxable if the lessor uses all of the leasehold income from  
14 the property for any of the following <sup>reasonable</sup> expenditures directly related to the low-income  
15 housing project to which the property belongs, except that the lessor may use up to  
16 10 percent of the leasehold income for any of the following <sup>reasonable</sup> expenditures directly  
17 related to any other low-income housing project under common control with that  
18 project and located in this state, and except that the lessor may use any of the  
19 leasehold income for debt service for any other low-income housing project under  
20 common control with that project, under the same mortgage, and located in this state  
21 and such amount is not considered for purposes of the 10 percent maximum  
22 described in this paragraph:

- 23           1. Maintenance.
- 24           2. Capital replacements.
- 25           3. Insurance premiums.

- 1           4. Project management.
- 2           5. Debt retirement.
- 3           6. Moneys reserved for project-related purposes.
- 4           7. General and administrative expenses.
- 5           8. Social services and other resident services provided at the project.
- 6           9. Utilities.
- 7           10. Financing costs.
- 8           11. Any other expenditure related to preserving and managing the project.
- 9           12. Any other similar project-related expenditure.

10           (f) 1. Annually, no later than March 1, each person who owns a low-income  
11 housing project shall file with the assessor of the taxation district in which the project  
12 is located a statement that specifies which units were occupied on January 1 of that  
13 year by persons whose income satisfied the income limit requirements under par. (a),  
14 as certified by the property owner to the appropriate federal or state agency, and a  
15 copy of the federal department of housing and urban development contract or federal  
16 department of agriculture, rural development, <sup>✓</sup>contract, *if applicable*

17           2. The format and distribution of statements under this paragraph shall be  
18 governed by s. 70.09 (3).

19           3. If the statement required under this paragraph is not received on or before  
20 March 1, the taxation district assessor shall send the property owner a notice, by  
21 certified mail to the owner's last known address of record, stating that failure to file  
22 a statement is subject to the penalties under subd. 5.

23           4. In addition to the statement under subd. 1., the taxation district assessor  
24 may require that a property owner submit other information to prove that the

**SENATE BILL 403**

1 person's property qualifies as low-income housing that is exempt from taxation  
2 under sub. (4).

3 5. A person who fails to file a statement within 30 days after notification under  
4 subd. 3. shall forfeit \$10 for each succeeding day on which the form is not received  
5 by the taxation district assessor, but not more than \$500.

6 **SECTION 4. Initial applicability.**

7 (1) This act first applies retroactively to the property tax assessments as of  
8 January 1, 2006.

9 **SECTION 5. Effective date.**

10 (1) This act takes effect retroactively on January 1, 2006.

11

(END)

✓  
INSERT  
7-10

**SENATE AMENDMENT 2,  
TO 2007 SENATE BILL 403**

January 31, 2008 - Offered by Senator TAYLOR.

INSERT 7-10

1 At the locations indicated, amend the bill as follows:

2 ~~P. Page 7, line 6 delete lines 6 to 10 and substitute:~~

3 ~~SECTION 4m. Nonstatutory provisions.~~ <sup>9141</sup> ~~Revenue~~ ✓

4 (1) OMITTED PROPERTY. Notwithstanding section 70.44 (1) of the statutes,  
5 section 70.44 (1) of the statutes does not apply to property described under section  
6 70.11 (4a) of the statutes, as created in 2007 Wisconsin Act ... this act, for the years  
7 before 2009 during which the property was omitted from assessment.

8 ~~SECTION 4m. Initial applicability.~~ <sup>9341</sup> ~~Revenue~~ ✓

9 (1) ~~This act~~ first applies to the property tax assessments as of January 1, 2009. <sup>CS</sup> ~~END~~ ✓

10 LOW-INCOME HOUSING. <sup>CS</sup> ~~END~~ <sup>NO #</sup> the treatment of section 70.11 (intro.),  
(4) and (4a) of the statutes ✓

(end ins)

STATE OF WISCONSIN - LEGISLATIVE REFERENCE BUREAU

LRB

Research (608-266-0341)

Library (608-266-7040)

Legal (608-266-3561)

LRB

D N

4337/P/dm  
JK

Rick:

This draft is based on 2007 Senate Bill 403,  
as amended by Senate Amendments 1 and 2.

JK



**DRAFTER'S NOTE  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-4337/P1dn  
JK:jld:jf

April 16, 2008

Rick:

This draft is based on 2007 Senate Bill 403, as amended by Senate Amendments 1 and 2.

Joseph T. Kreye  
Legislative Attorney  
Phone: (608) 266-2263  
E-mail: [joseph.kreye@legis.wisconsin.gov](mailto:joseph.kreye@legis.wisconsin.gov)



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-4337/P1  
JK:bjk&jld:jf

stays  
+ WLj

P2  
R

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

in 4-16-08

Do Not Gen

1 AN ACT ...; relating to: the budget adjustment bill.

*Analysis by the Legislative Reference Bureau*

This is a preliminary draft. An analysis will be provided in a later version.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2 SECTION 1. 70.11 (intro.) of the statutes is amended to read:  
3 **70.11 Property exempted from taxation.** (intro.) The property described  
4 in this section is exempted from general property taxes if the property is exempt  
5 under sub. (1), (2), (18), (21), (27) or (30); if it was exempt for the previous year and  
6 its use, occupancy or ownership did not change in a way that makes it taxable; if the  
7 property was taxable for the previous year, the use, occupancy or ownership of the  
8 property changed in a way that makes it exempt and its owner, on or before March 1,  
9 files with the assessor of the taxation district where the property is located a form  
10 that the department of revenue prescribes or if the property did not exist in the

1 previous year and its owner, on or before March 1, files with the assessor of the  
2 taxation district where the property is located a form that the department of revenue  
3 prescribes. Leasing Except as provided in sub. (4a) (e), leasing a part of the property  
4 described in this section does not render it taxable if the lessor uses all of the  
5 leasehold income for maintenance of the leased property or construction debt  
6 retirement of the leased property, or both, and, except for residential housing, if the  
7 lessee would be exempt from taxation under this chapter if it owned the property.  
8 Any lessor who claims that leased property is exempt from taxation under this  
9 chapter shall, upon request by the tax assessor, provide records relating to the  
10 lessor's use of the income from the leased property. Property exempted from general  
11 property taxes is:

12 **SECTION 2.** 70.11 (4) of the statutes is amended to read:

13 70.11 (4) EDUCATIONAL, RELIGIOUS AND BENEVOLENT INSTITUTIONS; WOMEN'S CLUBS;  
14 HISTORICAL SOCIETIES; FRATERNITIES; LIBRARIES. Property owned and used exclusively  
15 by educational institutions offering regular courses 6 months in the year; or by  
16 churches or religious, educational or benevolent associations, including benevolent  
17 nursing homes and retirement homes for the aged but not including an organization  
18 that is organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health  
19 maintenance organization as defined in s. 609.01 (2) or a limited service health  
20 organization as defined in s. 609.01 (3) or an organization that is issued a certificate  
21 of authority under ch. 618 and that offers a health maintenance organization or a  
22 limited service health organization and not including property owned by any  
23 nonstock, nonprofit corporation which services guaranteed student loans for others  
24 or on its own account, and also including property owned and used for housing for  
25 pastors and their ordained assistants, members of religious orders and communities,

1 and ordained teachers, whether or not contiguous to and a part of other property  
2 owned and used by such associations or churches, and also including property that  
3 is low-income housing, as defined under sub. (4a) (a); or by women's clubs; or by  
4 domestic, incorporated historical societies; or by domestic, incorporated, free public  
5 library associations; or by fraternal societies operating under the lodge system  
6 (except university, college and high school fraternities and sororities), but not  
7 exceeding 10 acres of land necessary for location and convenience of buildings while  
8 such property is not used for profit. Property owned by churches or religious  
9 associations necessary for location and convenience of buildings, used for  
10 educational purposes and not for profit, shall not be subject to the 10-acre limitation  
11 but shall be subject to a 30-acre limitation. Property owned by churches or religious  
12 or benevolent associations necessary for location and convenience of buildings, used  
13 for a low-income housing project, as defined under sub. (4a) (b), including other  
14 low-income housing projects under common control with such project, shall not be  
15 subject to the 10-acre limitation but shall be subject to a limitation of 30 acres and  
16 a limitation of 10 contiguous acres in any one municipality. Property that is exempt  
17 from taxation under this subsection and is leased remains exempt from taxation only  
18 if, in addition to the requirements specified in the introductory phrase of this section,  
19 the lessee does not discriminate on the basis of race.

20 **SECTION 3.** 70.11 (4a) of the statutes is created to read:

21 70.11 (4a) LOW-INCOME HOUSING. (a) For purposes of sub. (4), "low-income  
22 housing" means any residential unit within a low-income housing project that is  
23 occupied by a low-income or very low-income person or is vacant and is only  
24 available to such persons.

1           (b) For purposes of this subsection and sub. (4), "low-income housing project"  
2 means a residential housing project for which all of the following apply:

3           1. At least 75 percent of the occupied residential units are occupied by  
4 low-income or very low-income persons or are vacant and available only to  
5 low-income or very low-income persons.

6           2. At least one of the following applies:

7           a. At least 20 percent of the residential units are rented to persons who are very  
8 low-income persons or are vacant and are only available to such persons.

9           b. At least 40 percent of the residential units are rented to persons whose  
10 income does not exceed 120 percent of the very low-income limit or are vacant and  
11 only available to such persons.

12           (c) For purposes of this subsection, low-income persons and very low-income  
13 persons shall be determined in accordance with the income limits published by the  
14 federal department of housing and urban development for low-income and very  
15 low-income families under the National Housing Act of 1937.

16           (d) For purposes of this subsection and sub. (4), all properties included within  
17 the same federal department of housing and urban development contract or within  
18 the same federal department of agriculture, rural development, contract are  
19 considered to be one low-income housing project.

20           (e) Leasing property that is exempt from taxation under sub. (4) as low-income  
21 housing does not render it taxable if the lessor uses all of the leasehold income from  
22 the property for any of the following reasonable expenditures directly related to the  
23 low-income housing project to which the property belongs, except that the lessor may  
24 use up to 10 percent of the leasehold income for any of the following reasonable  
25 expenditures directly related to any other low-income housing project under

1 common control with that project and located in this state, and except that the lessor  
2 may use any of the leasehold income for debt service for any other low-income  
3 housing project under common control with that project, under the same mortgage,  
4 and located in this state and such amount is not considered for purposes of the 10  
5 percent maximum described in this paragraph:

- 6 1. Maintenance.
- 7 2. Capital replacements.
- 8 3. Insurance premiums.
- 9 4. Project management.
- 10 5. Debt retirement.
- 11 6. Moneys reserved for project-related purposes.
- 12 7. General and administrative expenses.
- 13 8. Social services and other resident services provided at the project.
- 14 9. Utilities.
- 15 10. Financing costs.
- 16 11. Any other expenditure related to preserving and managing the project.
- 17 12. Any other similar project-related expenditure.

18 (f) 1. Annually, no later than March 1, each person who owns a low-income  
19 housing project shall file with the assessor of the taxation district in which the project  
20 is located a statement that specifies which units were occupied on January 1 of that  
21 year by persons whose income satisfied the income limit requirements under par. (a),  
22 as certified by the property owner to the appropriate federal or state agency, and a  
23 copy of the federal department of housing and urban development contract or federal  
24 department of agriculture, rural development, contract, if applicable.

1           2. The format and distribution of statements under this paragraph shall be  
2 governed by s. 70.09 (3).

3           3. If the statement required under this paragraph is not received on or before  
4 March 1, the taxation district assessor shall send the property owner a notice, by  
5 certified mail to the owner's last known address of record, stating that failure to file  
6 a statement is subject to the penalties under subd. 5.

7           4. In addition to the statement under subd. 1., the taxation district assessor  
8 may require that a property owner submit other information to prove that the  
9 person's property qualifies as low-income housing that is exempt from taxation  
10 under sub. (4).

11           5. A person who fails to file a statement within 30 days after notification under  
12 subd. 3. shall forfeit \$10 for each succeeding day on which the form is not received  
13 by the taxation district assessor, but not more than \$500.

14           **SECTION 9141. Nonstatutory provisions; Revenue**

15           (1c) OMITTED PROPERTY. Notwithstanding section 70.44 (1) of the statutes,  
16 section 70.44 (1) of the statutes does not apply to property described under section  
17 70.11 (4a) of the statutes, as created in this act, for the years before 2009 during  
18 which the property was omitted from assessment.

19           **SECTION 9341. Initial applicability; Revenue**

20           (1c) LOW-INCOME HOUSING. The treatment of section 70.11 (intro.), (4), and (4a) (42.)  
21 of the statutes first applies to the property tax assessments as of January 1, 2009.

ASSEMBLY AMENDMENT,  
TO 2007 SENATE BILL 403

INSERT  
6-13

1 At the locations indicated, amend the bill as follows:

2 ~~1. Page 7, line 5: after that line insert:~~

3 ~~SECTION 3m.~~<sup>\*</sup> 70.11 (4b) of the statutes is created to read:

4 70.11 (4b) HOUSING PROJECTS FINANCED BY HOUSING AND ECONOMIC  
5 DEVELOPMENT AUTHORITY. All property of a housing project that satisfies all of the  
6 following:

7 (a) It is owned by a corporation, organization, or association described in  
8 section 501 (c) (3) of the Internal Revenue Code that is exempt from taxation under  
9 section 501 (a) of the Internal Revenue Code.

10 (b) It is financed by the Housing and Economic Development Authority under  
11 s. 234.03 (13).





1 (c) The Housing and Economic Development Authority holds a first-lien  
2 mortgage security interest on it. *Q*

3

(END)

*end  
of insert  
6-13*

## Kreye, Joseph

---

**From:** Walsh, Patrick  
**Sent:** Friday, April 04, 2008 11:00 AM  
**To:** Kreye, Joseph  
**Subject:** SB 403

Joe, WHEDA recommended these changes to SB 403. I don't think there is any need to do anything with the language right now but wanted you to have a copy in case the issue is brought up in context of the Budget Repair Bill.

Thank you.

Patrick Walsh  
Office of Sen. Russ Decker  
266-2502

1. Page4, Ln. 14: after any insert:

housing project described in sub. (4b), or any

2. Page 7, line 5: after the line insert:

Section 3m. 70.11(4b) of the statutes is created to read:  
70.11 (4b) HOUSING PROJECTS FINANCED BY HOUSING AND ECONOMIC  
DEVELOPMENT AUTHORITY. All property of a housing project that, as of  
the effective date, satisfies all of the following:

(a) It is owned by a corporation, organization, or association  
described in section 501 (c) (3) of the Internal Revenue Code that is  
exempt from taxation under section 501 (a) of the Internal Revenue Code.

(b) It is financed by the Housing and Economic Development  
Authority under s. 234.03 (13).

(c) The Housing and Economic Development Authority holds a  
first-lien mortgage security interest on it.



State of Wisconsin  
2007 - 2008 LEGISLATURE

TODAY

LRB-4337/02  
JK:bjk/jld/wlj:awn

stage PM mtr R

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION ✓

SA ✓

in 4-17-08

1 AN ACT <sup>do not gen. cat.</sup> relating to: the budget adjustment bill.

---

***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a later version. ✓

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

2 SECTION 1. 70.11 (intro.) of the statutes is amended to read:

3 **70.11 Property exempted from taxation.** (intro.) The property described  
4 in this section is exempted from general property taxes if the property is exempt  
5 under sub. (1), (2), (18), (21), (27) or (30); if it was exempt for the previous year and  
6 its use, occupancy or ownership did not change in a way that makes it taxable; if the  
7 property was taxable for the previous year, the use, occupancy or ownership of the  
8 property changed in a way that makes it exempt and its owner, on or before March 1,  
9 files with the assessor of the taxation district where the property is located a form  
10 that the department of revenue prescribes or if the property did not exist in the

1 previous year and its owner, on or before March 1, files with the assessor of the  
2 taxation district where the property is located a form that the department of revenue  
3 prescribes. ~~Leasing~~ Except as provided in sub. (4a) (e), leasing a part of the property  
4 described in this section does not render it taxable if the lessor uses all of the  
5 leasehold income for maintenance of the leased property or construction debt  
6 retirement of the leased property, or both, and, except for residential housing, if the  
7 lessee would be exempt from taxation under this chapter if it owned the property.  
8 Any lessor who claims that leased property is exempt from taxation under this  
9 chapter shall, upon request by the tax assessor, provide records relating to the  
10 lessor's use of the income from the leased property. Property exempted from general  
11 property taxes is: ✓

12 **SECTION 2.** 70.11 (4) of the statutes is amended to read:

13 70.11 (4) EDUCATIONAL, RELIGIOUS AND BENEVOLENT INSTITUTIONS; WOMEN'S CLUBS;  
14 HISTORICAL SOCIETIES; FRATERNITIES; LIBRARIES. Property owned and used exclusively  
15 by educational institutions offering regular courses 6 months in the year; or by  
16 churches or religious, educational or benevolent associations, including benevolent  
17 nursing homes and retirement homes for the aged but not including an organization  
18 that is organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health  
19 maintenance organization as defined in s. 609.01 (2) or a limited service health  
20 organization as defined in s. 609.01 (3) or an organization that is issued a certificate  
21 of authority under ch. 618 and that offers a health maintenance organization or a  
22 limited service health organization and not including property owned by any  
23 nonstock, nonprofit corporation which services guaranteed student loans for others  
24 or on its own account, and also including property owned and used for housing for  
25 pastors and their ordained assistants, members of religious orders and communities,

1 and ordained teachers, whether or not contiguous to and a part of other property  
2 owned and used by such associations or churches, and also including property that  
3 is low-income housing, as defined under sub. (4a) (a); or by women's clubs; or by  
4 domestic, incorporated historical societies; or by domestic, incorporated, free public  
5 library associations; or by fraternal societies operating under the lodge system  
6 (except university, college and high school fraternities and sororities), but not  
7 exceeding 10 acres of land necessary for location and convenience of buildings while  
8 such property is not used for profit. Property owned by churches or religious  
9 associations necessary for location and convenience of buildings, used for  
10 educational purposes and not for profit, shall not be subject to the 10-acre limitation  
11 but shall be subject to a 30-acre limitation. Property owned by churches or religious  
12 or benevolent associations necessary for location and convenience of buildings, used  
13 for a low-income housing project, as defined under sub. (4a) (b), including other  
14 low-income housing projects under common control with such project, shall not be  
15 subject to the 10-acre limitation but shall be subject to a limitation of 30 acres and  
16 a limitation of 10 contiguous acres in any one municipality. Property that is exempt  
17 from taxation under this subsection and is leased remains exempt from taxation only  
18 if, in addition to the requirements specified in the introductory phrase of this section,  
19 the lessee does not discriminate on the basis of race.

20 SECTION 3. 70.11 (4a) of the statutes is created to read:

21 70.11 (4a) LOW-INCOME HOUSING. (a) For purposes of sub. (4), "low-income  
22 housing" means any residential unit within a low-income housing project that is  
23 occupied by a low-income or very low-income person or is vacant and is only  
24 available to such persons.

any housing project described in sub (4b) or

1           (b) For purposes of this subsection and sub. (4), "low-income housing project"  
2 means a residential housing project for which all of the following apply:

3           1. At least 75 percent of the occupied residential units are occupied by  
4 low-income or very low-income persons or are vacant and available only to  
5 low-income or very low-income persons.

6           2. At least one of the following applies:

7           a. At least 20 percent of the residential units are rented to persons who are very  
8 low-income persons or are vacant and are only available to such persons.

9           b. At least 40 percent of the residential units are rented to persons whose  
10 income does not exceed 120 percent of the very low-income limit or are vacant and  
11 only available to such persons.

12           (c) For purposes of this subsection, low-income persons and very low-income  
13 persons shall be determined in accordance with the income limits published by the  
14 federal department of housing and urban development for low-income and very  
15 low-income families under the National Housing Act of 1937.

16           (d) For purposes of this subsection and sub. (4), all properties included within  
17 the same federal department of housing and urban development contract or within  
18 the same federal department of agriculture, rural development, contract are  
19 considered to be one low-income housing project.

20           (e) Leasing property that is exempt from taxation under sub. (4) as low-income  
21 housing does not render it taxable if the lessor uses all of the leasehold income from  
22 the property for any of the following reasonable expenditures directly related to the  
23 low-income housing project to which the property belongs, except that the lessor may  
24 use up to 10 percent of the leasehold income for any of the following reasonable  
25 expenditures directly related to any other low-income housing project under

1 common control with that project and located in this state, and except that the lessor  
2 may use any of the leasehold income for debt service for any other low-income  
3 housing project under common control with that project, under the same mortgage,  
4 and located in this state and such amount is not considered for purposes of the 10  
5 percent maximum described in this paragraph:

- 6 1. Maintenance.
- 7 2. Capital replacements.
- 8 3. Insurance premiums.
- 9 4. Project management.
- 10 5. Debt retirement.
- 11 6. Moneys reserved for project-related purposes.
- 12 7. General and administrative expenses.
- 13 8. Social services and other resident services provided at the project.
- 14 9. Utilities.
- 15 10. Financing costs.
- 16 11. Any other expenditure related to preserving and managing the project.
- 17 12. Any other similar project-related expenditure.

18 (f) 1. Annually, no later than March 1, each person who owns a low-income  
19 housing project shall file with the assessor of the taxation district in which the project  
20 is located a statement that specifies which units were occupied on January 1 of that  
21 year by persons whose income satisfied the income limit requirements under par. (a),  
22 as certified by the property owner to the appropriate federal or state agency, and a  
23 copy of the federal department of housing and urban development contract or federal  
24 department of agriculture, rural development, contract, if applicable.

1           2. The format and distribution of statements under this paragraph shall be  
2 governed by s. 70.09 (3).

3           3. If the statement required under this paragraph is not received on or before  
4 March 1, the taxation district assessor shall send the property owner a notice, by  
5 certified mail to the owner's last known address of record, stating that failure to file  
6 a statement is subject to the penalties under subd. 5.

7           4. In addition to the statement under subd. 1., the taxation district assessor  
8 may require that a property owner submit other information to prove that the  
9 person's property qualifies as low-income housing that is exempt from taxation  
10 under sub. (4).

11           5. A person who fails to file a statement within 30 days after notification under  
12 subd. 3. shall forfeit \$10 for each succeeding day on which the form is not received  
13 by the taxation district assessor, but not more than \$500.

14           SECTION 4. 70.11 (4b) of the statutes is created to read:

15           70.11 (4b) HOUSING PROJECTS FINANCED BY HOUSING AND ECONOMIC  
16 DEVELOPMENT AUTHORITY. All property of a housing project that satisfies all of the  
17 following:

18           (a) It is owned by a corporation, organization, or association described in  
19 section 501 (c) (3) of the Internal Revenue Code that is exempt from taxation under  
20 section 501 (a) of the Internal Revenue Code.

21           (b) It is financed by the Housing and Economic Development Authority under  
22 s. 234.03 (13).

23           (c) The Housing and Economic Development Authority holds a first-lien  
24 mortgage security interest on it.

25           **SECTION 9141. Nonstatutory provisions; Revenue**



(1) OMITTED PROPERTY. Notwithstanding section 70.44 (1) of the statutes, section 70.44 (1) of the statutes does not apply to property described under section 70.11 (4a) of the statutes, as created in this act, for the years before 2009 during which the property was omitted from assessment.

**5 SECTION 9341. Initial applicability; Revenue**

(1) LOW-INCOME HOUSING. The treatment of section 70.11 (intro.), (4), (4a), and (4b) of the statutes first applies to the property tax assessments as of January 1, 2009.

9 (END)



State of Wisconsin  
LEGISLATIVE REFERENCE BUREAU

**RESEARCH APPENDIX -**  
**PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 03/02/2008 (Per: CMT)

**☛ Compile Draft – Appendix K**  
**Part 01 of 01**

- |  |  |
|--|--|
| A ☛ The 2007 drafting file for<br>LRB-4188 | G ☛ The 2007 drafting file for<br>LRB-4321 |
| B ☛ The 2007 drafting file for<br>LRB-4247 | H ☛ The 2007 drafting file for<br>LRB-4322 |
| C ☛ The 2007 drafting file for<br>LRB-4260 | I ☛ The 2007 drafting file for<br>LRB-4323 |
| D ☛ The 2007 drafting file for<br>LRB-4293 | J ☛ The 2007 drafting file for<br>LRB-4332 |
| E ☛ The 2007 drafting file for<br>LRB-4309 | K ☛ The 2007 drafting file for<br>LRB-4337 |
| F ☛ The 2007 drafting file for<br>LRB-4315 | L ☛ The 2007 drafting file for<br>LRB-4338 |

**2007 LRB-4337** has been copied/added to the drafting file for

**2007 LRBs0378**

(Mr8 CSA1-AB1)



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-4337/P3  
JK:bjk/jld/wlj:pg

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

1     **AN ACT ...; relating to:** the budget adjustment bill.

---

*Analysis by the Legislative Reference Bureau*

This is a preliminary draft. An analysis will be provided in a later version.

---

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

2             **SECTION 1.** 70.11 (intro.) of the statutes is amended to read:

3             **70.11 Property exempted from taxation.** (intro.) The property described  
4     in this section is exempted from general property taxes if the property is exempt  
5     under sub. (1), (2), (18), (21), (27) or (30); if it was exempt for the previous year and  
6     its use, occupancy or ownership did not change in a way that makes it taxable; if the  
7     property was taxable for the previous year, the use, occupancy or ownership of the  
8     property changed in a way that makes it exempt and its owner, on or before March 1,  
9     files with the assessor of the taxation district where the property is located a form  
10    that the department of revenue prescribes or if the property did not exist in the

1 previous year and its owner, on or before March 1, files with the assessor of the  
2 taxation district where the property is located a form that the department of revenue  
3 prescribes. ~~Leasing~~ Except as provided in sub. (4a) (e), leasing a part of the property  
4 described in this section does not render it taxable if the lessor uses all of the  
5 leasehold income for maintenance of the leased property or construction debt  
6 retirement of the leased property, or both, and, except for residential housing, if the  
7 lessee would be exempt from taxation under this chapter if it owned the property.  
8 Any lessor who claims that leased property is exempt from taxation under this  
9 chapter shall, upon request by the tax assessor, provide records relating to the  
10 lessor's use of the income from the leased property. Property exempted from general  
11 property taxes is:

12 **SECTION 2.** 70.11 (4) of the statutes is amended to read:

13 70.11 (4) EDUCATIONAL, RELIGIOUS AND BENEVOLENT INSTITUTIONS; WOMEN'S CLUBS;  
14 HISTORICAL SOCIETIES; FRATERNITIES; LIBRARIES. Property owned and used exclusively  
15 by educational institutions offering regular courses 6 months in the year; or by  
16 churches or religious, educational or benevolent associations, including benevolent  
17 nursing homes and retirement homes for the aged but not including an organization  
18 that is organized under s. 185.981 or ch. 611, 613 or 614 and that offers a health  
19 maintenance organization as defined in s. 609.01 (2) or a limited service health  
20 organization as defined in s. 609.01 (3) or an organization that is issued a certificate  
21 of authority under ch. 618 and that offers a health maintenance organization or a  
22 limited service health organization and not including property owned by any  
23 nonstock, nonprofit corporation which services guaranteed student loans for others  
24 or on its own account, and also including property owned and used for housing for  
25 pastors and their ordained assistants, members of religious orders and communities,

1 and ordained teachers, whether or not contiguous to and a part of other property  
2 owned and used by such associations or churches, and also including property that  
3 is low-income housing, as defined under sub. (4a) (a); or by women's clubs; or by  
4 domestic, incorporated historical societies; or by domestic, incorporated, free public  
5 library associations; or by fraternal societies operating under the lodge system  
6 (except university, college and high school fraternities and sororities), but not  
7 exceeding 10 acres of land necessary for location and convenience of buildings while  
8 such property is not used for profit. Property owned by churches or religious  
9 associations necessary for location and convenience of buildings, used for  
10 educational purposes and not for profit, shall not be subject to the 10-acre limitation  
11 but shall be subject to a 30-acre limitation. Property owned by churches or religious  
12 or benevolent associations necessary for location and convenience of buildings, used  
13 for a low-income housing project, as defined under sub. (4a) (b), including other  
14 low-income housing projects under common control with such project, shall not be  
15 subject to the 10-acre limitation but shall be subject to a limitation of 30 acres and  
16 a limitation of 10 contiguous acres in any one municipality. Property that is exempt  
17 from taxation under this subsection and is leased remains exempt from taxation only  
18 if, in addition to the requirements specified in the introductory phrase of this section,  
19 the lessee does not discriminate on the basis of race.

20 **SECTION 3.** 70.11 (4a) of the statutes is created to read:

21 **70.11 (4a) LOW-INCOME HOUSING.** (a) For purposes of sub. (4), "low-income  
22 housing" means any housing project described in sub. (4b) or any residential unit  
23 within a low-income housing project that is occupied by a low-income or very  
24 low-income person or is vacant and is only available to such persons.

1           (b) For purposes of this subsection and sub. (4), "low-income housing project"  
2 means a residential housing project for which all of the following apply:

3           1. At least 75 percent of the occupied residential units are occupied by  
4 low-income or very low-income persons or are vacant and available only to  
5 low-income or very low-income persons.

6           2. At least one of the following applies:

7           a. At least 20 percent of the residential units are rented to persons who are very  
8 low-income persons or are vacant and are only available to such persons.

9           b. At least 40 percent of the residential units are rented to persons whose  
10 income does not exceed 120 percent of the very low-income limit or are vacant and  
11 only available to such persons.

12           (c) For purposes of this subsection, low-income persons and very low-income  
13 persons shall be determined in accordance with the income limits published by the  
14 federal department of housing and urban development for low-income and very  
15 low-income families under the National Housing Act of 1937.

16           (d) For purposes of this subsection and sub. (4), all properties included within  
17 the same federal department of housing and urban development contract or within  
18 the same federal department of agriculture, rural development, contract are  
19 considered to be one low-income housing project.

20           (e) Leasing property that is exempt from taxation under sub. (4) as low-income  
21 housing does not render it taxable if the lessor uses all of the leasehold income from  
22 the property for any of the following reasonable expenditures directly related to the  
23 low-income housing project to which the property belongs, except that the lessor may  
24 use up to 10 percent of the leasehold income for any of the following reasonable  
25 expenditures directly related to any other low-income housing project under

1 common control with that project and located in this state, and except that the lessor  
2 may use any of the leasehold income for debt service for any other low-income  
3 housing project under common control with that project, under the same mortgage,  
4 and located in this state and such amount is not considered for purposes of the 10  
5 percent maximum described in this paragraph:

- 6 1. Maintenance.
- 7 2. Capital replacements.
- 8 3. Insurance premiums.
- 9 4. Project management.
- 10 5. Debt retirement.
- 11 6. Moneys reserved for project-related purposes.
- 12 7. General and administrative expenses.
- 13 8. Social services and other resident services provided at the project.
- 14 9. Utilities.
- 15 10. Financing costs.
- 16 11. Any other expenditure related to preserving and managing the project.
- 17 12. Any other similar project-related expenditure.

18 (f) 1. Annually, no later than March 1, each person who owns a low-income  
19 housing project shall file with the assessor of the taxation district in which the project  
20 is located a statement that specifies which units were occupied on January 1 of that  
21 year by persons whose income satisfied the income limit requirements under par. (a),  
22 as certified by the property owner to the appropriate federal or state agency, and a  
23 copy of the federal department of housing and urban development contract or federal  
24 department of agriculture, rural development, contract, if applicable.

1           2. The format and distribution of statements under this paragraph shall be  
2     governed by s. 70.09 (3).

3           3. If the statement required under this paragraph is not received on or before  
4     March 1, the taxation district assessor shall send the property owner a notice, by  
5     certified mail to the owner's last known address of record, stating that failure to file  
6     a statement is subject to the penalties under subd. 5.

7           4. In addition to the statement under subd. 1., the taxation district assessor  
8     may require that a property owner submit other information to prove that the  
9     person's property qualifies as low-income housing that is exempt from taxation  
10    under sub. (4).

11          5. A person who fails to file a statement within 30 days after notification under  
12    subd. 3. shall forfeit \$10 for each succeeding day on which the form is not received  
13    by the taxation district assessor, but not more than \$500.

14          **SECTION 4.** 70.11 (4b) of the statutes is created to read:

15          **70.11 (4b) HOUSING PROJECTS FINANCED BY HOUSING AND ECONOMIC**  
16    **DEVELOPMENT AUTHORITY.** All property of a housing project that satisfies all of the  
17    following:

18           (a) It is owned by a corporation, organization, or association described in  
19    section 501 (c) (3) of the Internal Revenue Code that is exempt from taxation under  
20    section 501 (a) of the Internal Revenue Code.

21           (b) It is financed by the Housing and Economic Development Authority under  
22    s. 234.03 (13).

23           (c) The Housing and Economic Development Authority holds a first-lien  
24    mortgage security interest on it.

25          **SECTION 9141. Nonstatutory provisions; Revenue**



(1) OMITTED PROPERTY. Notwithstanding section 70.44 (1) of the statutes, section 70.44 (1) of the statutes does not apply to property described under section 70.11 (4a) of the statutes, as created in this act, for the years before 2009 during which the property was omitted from assessment.

**5 SECTION 9341. Initial applicability; Revenue**

(1) LOW-INCOME HOUSING. The treatment of section 70.11 (intro.), (4), (4a), and (4b) of the statutes first applies to the property tax assessments as of January 1, 2009.

9 (END)